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Kentucky Local Occupational License Tax Documents Now Online

BY LAURA LOUGH, ESQ.

The Kentucky Secretary of State (SOS) has posted most of the local occupational license tax forms, instructions, and ordinances online at <http://app.sos.ky.gov/occupationaltax>. This is pursuant to legislation enacted last year requiring the SOS to provide this information online.

Each Jurisdiction Has Own Forms

More than 200 cities and counties in Kentucky have occupational license taxes. Employers must withhold these taxes from the salaries, wages, commissions, and other compensation paid to each employee working in the city or county. County school districts are authorized to levy occupational license taxes on the salaries, wages, commissions, and other compensation of residents for work performed in the county (nonresidents of the county who work there do not have to pay the school tax).

Each taxing jurisdiction prescribes its own forms for businesses to use when paying the taxes.

"Businesses that operate in more than one taxing jurisdiction must obtain the correct forms for each jurisdiction and then complete and file multiple documents, which in some instances can cost more than the tax liability itself," SOS Alison Lundergan Grimes said in a March 2013 press release.

State Mandate to Standardize, Centralize Information

To combat this problem, Kentucky

enacted legislation in April 2012 authorizing the SOS to develop standard local occupational license tax forms (e.g., quarterly returns, annual reconciliation returns) for use by all localities by July 2017 (H.B. 277, L. 2012). The SOS was also authorized to provide each locality's occupational license tax form(s), instructions, and ordinances online at the Kentucky One Stop Business Portal or another public website.

Before November 1, 2012, each locality (city, county, school district) that imposed an occupational license tax had to submit to the SOS either an electronic or hard copy of its occupational license tax:

1. form or forms;
2. accompanying instructions; and
3. ordinance.

A locality that imposes a new occupational license tax or amends an occupational license tax after November 1, 2012, must provide a copy of its ordinance to the SOS within 30 days of the adoption or amendment and may provide any additional information such as forms or instructions.

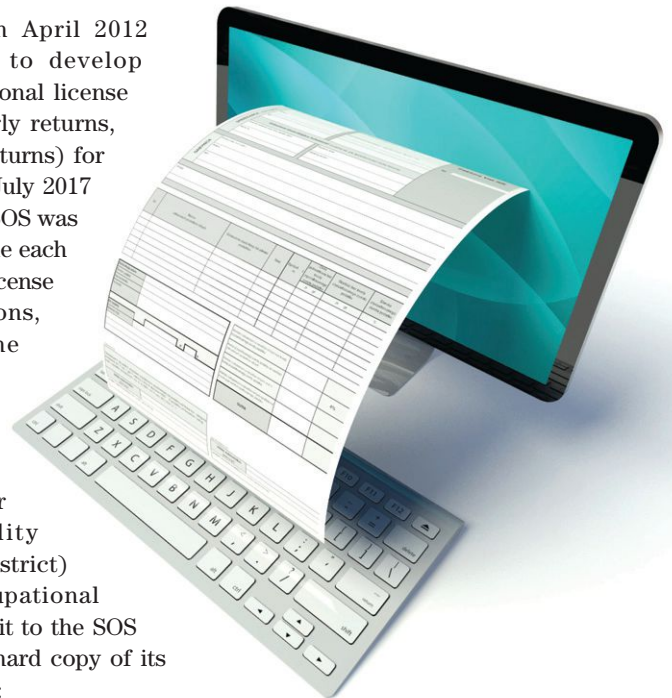
Online Information at SOS Website

The SOS now has all of the tax forms, instructions, ordinances, and contact information that were provided to it available on its website. Payroll professionals can go to <http://app.sos.ky.gov/occupationaltax> and select an occupational tax district (city,

county, or school district) from an alphabetically arranged drop-down list. The following information, if available, will be displayed:

- Identifying information—tax district name, ordinance number, city name, and county where the city is located;
- Instructions;
- Ordinance;
- Tax form—application form and/or tax returns; and
- Contact information—a website address, contact person's name, phone number, fax number, post office address, and physical address.

"This resource streamlines how businesses interact with government," Grimes said, "making the occupational license tax process more efficient and effective and Kentucky more business-friendly." ■



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